✓ P

G. R. S. IX-5]

Previous references.

File No. 40—16

1916-17

Serial Nos. 16 + 17.

(9)

Later references.

P=11
E

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 16 + 17

Part B for Jan: 17

SUBJECT.

Bank of Mysore

Correspondence between the Manager Bank of Mysore and the Dewan of Mysore re: the financial Accommodation of the Bank of Mysore

W D 88—GPB—50,000—24-7-16

21.6.17 hdB

G. R. S. 11] 1916.

GENERAL AND REVENUE SECRETARIAT.

(G. 7)

NOTES.

G. 7 File No. 40-16

FILE HEADING.

Bank of Mysore

From

No. Dated Received

Diary No. | Enclos. | Spare Copies. | Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

File

P. T. O.

NOTES—First Sheet.

GPB—20,100 - -8 8-14

Bangalore
19 Jan' 17

D. O. No. 4629

Issued.

My dear Sir, Mr. Puttanna Chetty,

I am in receipt of your letter enclosing a copy of your letter of the 10th instant and the copy of your letter to the Financial Secretary in the matter of the loan required by the Mysore Bank, sent herewith. I am requesting Mr. Chakrvorti to do all that is possible, without raising technical difficulties, to accommodate the Bank.

I understand you just happened to
Yours sincerely,
know of our Savings Bank which is a convenient institution

19.1.17.

(Dewan)

Dewan Bahadur
K.P.Puttanna Chetty.

Copy

Submitted to His Highness.

I submit for favour of His Highness' perusal, a demi-official letter dated 31st December 1916 from Mr. K.P. Puttanna Chetty bringing to notice the successful working of the Bank of Mysore, for the half year ended 31st December 1916. The net result of the half year's working is a surplus of 18 per cent and for the whole year the Bank has earned a profit of 19 per cent per annum.

2. The working is most creditable to Mr.K.P. Puttanna Chetty for guiding and to Mr. Rose for the careful management of the affairs of the Bank.

M. Visvesvaraya

6th Jan. 1917.

(4

W. D. 2725—GPB—2,000—5-5-16

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated.....20th January.....*1917* .

Letter dated the 10th January 1917 from Dewan Bahadur K.P.Puttanna Chetty, Chairman of the Bank of Mysore, regarding the loan required by the Bank, and reply thereto.

"""""""

Forwarded to the Secretary, Financial Department, for favour of action.

By order

The Secretary,

Financial Department.

All these good results
are due to your patriotic
foresights in establishing
this Bank almost
in the face of opposition

Yours sincerely
M Visvesvaraya

Sir M Visvesvaraya KCSI
Dewan of Mysore

C. F. 40-16
Ser. 16.

7.41.74

The Bank of Mysore Ltd.

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."
CODE - 5TH EDITION A.B.C.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER.

No.....

Bangalore 31st December 1916

My dear Sir,

Once again it is my pleasing duty to inform you that the Bank has done well during the half year just ended. The net result of the ½ year's working shows a surplus of 18 7/0 - and considering that

it was the slack season
of the year and we
had heavy cash balances
amounting to over
25% of the Banks'
funds, remaining
unutilized for the greater
part of the half year,
the Bank has done
very well indeed.
- For the whole year
1916 we have earned
a profit of 19% per
annum - we can

stand comparison with
bigger & long established
Banks elsewhere -

3 The demand for money
is now very brisk and
at your instance Mr
Chakravarti has kindly
said he would try & let
us have 3 lakhs in
January & 3 lakhs in
February at 5% for a
few months. We appre
ciate this help very
greatly & it will enable
us to give greater assist
ance to our trade -

C. F. 40—16
Ser. 17

D. O. No. 7/4211 (16

The Bank of Mysore Ltd.,

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."
CODE – 5TH EDITION A.B.C.

All communications to be addressed
TO THE MANAGER.

No.....

Bangalore, 10th January 1917

My dear Sir,

I enclose copy of a letter I have addressed to the Financial Secretary in the matter of the loan required by the Bank about which I spoke to you yesterday.

Yours sincerely,

K V Mattaiah Gupta

Sir M. Visvesvaraya, K.C.I.E.
Dewan of Mysore,
Bangalore.

Copy

10th January 1917

My dear Mr. Chakravarti,

I recently spoke to the Dewan in the matter of getting some temporary financial accomodation for the Bank from Government for the purpose of financing trade during the next 3 or 4 months, and he was good enough to refer the matter to you. I now learn from a conversation that Mr. Rose had with Mr.M. N. Krishna Rao on the 5th inst. that the latter is of opinion that any accomodation to be given by the Government would only be on the deposit of Government securities. I do not wish to discuss the wisdom or propriety of the Offg. Comptrollers stipulation, based as it apparently is on the recommendation of the recent Royal Commission on Indian Finance for the Government of India to give financial help out of surplus treasury balances to the public through the Presidency Banks on the security of Government Paper, but it is unnecessary to state that the financial conditions prevailing in Mysore and British India are vastly different. Our merchants do not invest in Government securities, neither have the Bank thought it advisable to do so, in the present abnormal times, but have referred to leave their reserves and balances averaging Rs.9½ lacs during the past six months in the hands of

of the Mysore Government. Under the circumstances it is asking for the impossible to demand Government securities for the temporary assistance which the Bank might ask for in the interest of trade. So far as the Bank's interests alone are concerned, the Directors are indifferent whether the Government promise or decline financial help, but they would naturally like to assist the trade of the State if possible rather than see the agricultural produce of the country sacrificed through monetary pressure etc. It however, appears to me somewhat invidious that a semi-state Bank purposely established to finance the trade of the State should be denied temporary financial aid, and that the funds of the Government placed at the disposal of a Presidency Bank, without security, thus enabling the latter to finance India trade at the expense of trade within the State. Before the Bank was established the Government were pleased to grant financial concessions to the Bank to the extent of ten lacs, without security, and now when the Bank has created a Reserve Fund of about 2 lacs, and have its own funds with the Government to the extent of 8 lacs, not to mention the reserve liability of shareholders for another ten lacs capital, the question of security is raised for a possible temporary loan of 5 to 6 lacs. I may, also, point out that the Government of India who are under obligation to keep some 35 lacs.

lacs only with the Bank of Madras have maintained with this institution, for some time now, a balance approaching a crore of rupees, and have further agreed to give a free balance of 3 lacs for every Branch opened. Whereas on the other hand the Mysore Bank with 7 Branches, and excluding the 5 lacs concession deposit, have no free balance from the Mysore Government. I venture to think the parallel desired by the Offg. Comptroller for adoption by the Government is altogether premature. It should, also, be remembered that the Bank are not asking for a free loan, but one, if required, at 5% interest for 3/4 months or a lesser period. It is possible that the present stringency for money may ease off and no help required, but all that is desired from Government is a promise that if financial assistance is required the Government will be pleased to grant same to the extent of 5 or 6 lacs during February/March as kindly stated by the Dewan. The management with this promised assistance will then be in a position to reduce the present limits of reserves by 50% and thereby refrain, possibly, from borrowing from the Government. I hope you will be good enough to pardon my addressing you at this length, but the importance of the subject is my only excuse. May I solicit the early orders of the Government on this matter ?

Yours sincerely,

1807 K P Puttanna Chetty

Chairman.

Dewan Bahadur
J. S. Chakravarti, Esq.
Financial Secretary to
Govt.
Bangalore.